HOPWOOD HALL COLLEGE

Minutes of the Employment & Finance Committee Meeting
Held on Thursday 12th June 2025

Governors Present:

Safaraz Akram	Independent Member (Committee Chair)
Gary Buxton	Independent Member
Martin Salins	Independent Member
Sinead Hesp	Independent Member
Julia Heap	Principal & Chief Executive

In Attendance:

Jo Bentley	Executive Director of Finance & Estates
Matthew Taylor	Executive Director of Performance & Planning
Lisa Woodman	Executive Director People, Culture & Wellbeing
Fatema Hussein	Clerk to the Corporation

Meeting Commenced:	4.30pm
Meeting Ended:	6.00pm
Attendance:	100%

1. Apologies for Absence

There were no apologies to receive.

2. Declarations of Interest

Members were invited to declare any direct, indirect, personal, pecuniary or prejudicial interest on any item on the agenda.

There were no declarations.

3. Approval of the Minutes – 13th March 2025

Agreed that the minutes of the meeting held on 13th March 2025 are approved as a correct record and authorised for publication

4. Matters Arising from the Minutes

The Actions log was reviewed, and it was noted that all of the actions had been completed with two items not yet due.

5. HR Report

The Executive Director People, Culture & Wellbeing presented her report with the following points highlighted to the Committee:

- Work was currently being undertaken to add benchmarking data to the report, and trend data was also to be included

- As part of the new performance management process, 3 support sheets had been submitted which may result in a performance improvement plan
- Further changes were to be made to the performance review process including the introduction of targets
- There had been an increase in the number of grievance and disciplinary cases and there was a similar pattern in other Colleges
- The number of cases usually peaked at this time of the year
- Staff would be expected to complete any outstanding training during the Training and Admin weeks
- A non-consolidated pay award of £450 was to be paid to staff in June and had been well received
- Attendance was to be an area of focus as more needed to be done on managing sickness absence
- Consideration was being given to introducing leaver questionnaires
- There had been 170 uses of the Employee Assistance Programme this academic year and this was positive

Governor Questions

Governors discussed the report, and the following points were raised:

- There was a need to add some further contextual information in order to gain a better understanding of the data
- It appeared that a large percentage of staff had not undertaken mandatory training, but this could be related to how the data was presented

The Executive Director advised that staff joined the College at different points in the academic year and would therefore have some training outstanding

ACTION:

- Executive Director People, Culture and Well-Being to consider how contextual information can be added to the report
- Presentation of Training data to be reviewed to identify where risks and concerns were

6. Finance Report and Management Accounts – 30th April 2025

The Executive Director Finance & Estates reported that:

- A full year forecast of £121k operating surplus was broadly in line with the budget and financial health 'outstanding' forecast with EBITDA forecast at 8.8% and cash at bank of £9.79m by the year end
- Staff costs were currently forecast at over 68% of income
- The year-end cash position was stronger due to the additional Capital Grant received (£1.5m) plus the slower development of the Chapel project
- The F.E Commissioner's Office had revised some of the financial benchmarks, but the staff cost to income ratio had remained the same at 65%

Governor Questions

Q. Were the fluctuations in cost and income streams normal?
A. They were typical of movements during the year

Q. What measures were being put in place to reduce agency costs?

A. The College was going out to tender on the agency contract. Work was also being undertaken using different recruitment strategies to secure and attract more permanent staff

Q. Were agency staff on short- or long-term contracts?
A. They were mostly part-time term time only contracts which College was finding difficult to fill on a permanent basis

Q. Were agency costs included in the staff to income cost ratio?
A. It was confirmed that they were

The Clerk suggested that the revised financial benchmarks published by the F.E. Commissioner's office were considered by the Committee at the next meeting.

The Principal stated that they also needed to be considered as part of the budget setting process

RESOLVED:

That the management accounts be received and noted

7. Enrolment & Funding Update 2025-26

The following update was provided by the Executive Director Performance & Planning:

- The curriculum planning process commenced in Term 1 and took a variety of factors into account including stakeholder input, local and national skills needs, and course contribution
- A 50% minimum course contribution rate was required in order for the course to run
- College was committed to reducing NEET (Not in Employment, Education or Training) rates
- Growth of 5% was planned for 2025/26 but this could be higher
- 600 applications had been registered since Easter
- Growth was projected in all areas including Adults and H.E.
- The number of 18-19-year-olds had increased as they often progressed from L1 to L2 and L3 courses
- College received less funding for them than 16-18 learners
- The Adult Education contract would be exceeded by 5% for this year
- Rates for Adult funding had not increased in the last 7 or 8 years

8. Capital Projects & Contracts Update

The following update was provided by the Executive Director Finance & Estates:

Contracts Tendered or in progress since last meeting

Agency Staff and Recruitment / Contract Value: Circa £1,500,000

- A number of meetings had taken place with the HR team and Procurement consultant to finalise both the approach and the new tender documents.

Planned Preventative Maintenance (PPM)
Contract Value: £900,000 for 4 years/Contract Term: 4 years (2+1+1) Current Termination 30/11/2025.

- A variation to the contract for a second period of 5 months, to 30th November 2025 had been issued to allow the College to review options and remain compliant
- The service would be re-tendered for a three-year term (minimum)
- CPC had drafted tender documents and issued an updated timeline for the activity

Portable Two x Two-storey Classrooms plus toilet facilities /Contract Value: circa £55,000 installation, £260,000 Annual rental
Contract Term: Install July 2025 for 12 months
CPC had issued mini-tender documents through the NHS SBS Portal and a timetable for the process of installation during Summer 2025

School Transport / Contract Value: circa £500,000 per annum
Contract Term: End-Date 31/08/2025

- The original contract would end on 31st August 2025, but had two 12-month options
- There was a contractual 3% uplift for inflation in the original contract, but no other change to the service
- The 12-month extension was contractual, so letters had been exchanged, and the Contract position updated

The Committee was informed that some contract approvals may have to be done via email during the summer due to the timings and contract start dates

T Level Animal Management

The project had been significantly delayed by the contractor, and this had impacted on the learner experience and assessment. Financial penalties have been imposed by the College.

Chapel
- College was awaiting a decision from the DfE, and a site visit had been made
- The contractor had requested £25,000 to continue with designing the internal fabric of the building
- This was in addition to the original budget but still within the overall financial envelope
- Management were proposing that this was paid due to the risk of the Contractor withdrawing from the project

Governor Questions

Q. Could the £25,000 be claimed back from the DfE?
A. It would form part of the grant funding from the DfE but would be at risk if the funding was not approved

RESOLVED:

The Committee approved the request to pay the contractor £25,000 for the design work to continue

Rochdale B Block
- Preliminary works for the new B Block were scheduled to begin from 18 July

- The main work would start at the end of October
- A temporary car park solution had been arranged at the Rochdale Shopping Centre to support staff during the ongoing development works on campus

Governor Questions

Q. How much was the temporary car parking costing and was College paying for this?
A. The car parking would cost £66,000 and would have to be paid by the College

Estates Strategy / Urgent Space Issues

- Following a review of the latest draft of the strategy further work needed to be done to better identify future needs of the Estate
- Further discussions were also needed on the longer-term use of the buildings and particularly with the growth of Apprenticeship and changing skills priorities

9. Budget and Financial Plan 2025/26

The budget and financial plan for 2025/2026 was presented, with the following points highlighted to the Committee:

- The draft budget had been based on the latest funding announcement
- There may also be some additional income to include, and an announcement was being awaited from the DfE
- The budget was based on a medium-case scenario with built-in risk mitigations
- The financial plan forecasted a break-even position ensuring that the College maintained 'outstanding' financial health
- Cash balances would decrease as capital project payments were released
- As part of Managing Public Money, College could not borrow any money or use overdrafts
- ESFA had advised at the meeting last week that College could drop down to Good financial health during a period of capital development

RESOLVED:

The Committee reviewed and endorsed the proposed budget and financial plan for the 2025/2026 financial year and agreed that it was recommended to the Board for approval

10. Commercial Fees 2025/26

Governors were informed that College was proposing the following increases to commercial fees:

- 5% increase in prices for the Riverside salon
- Uniforms/kit sold to students in the kit shop – average 3-5% increase but this was still a significantly good price for learners
- Sports Arena and 3G pitches lettings – an increase in prices which was still competitive in relation to current market rates
- An increase in Refectory prices of 12.57% was required due to continuing high food prices and in order for the College to break even

It was noted that management would continue to work carefully with the safeguarding team to ensure that no student went without a lunch, if they were in need; and with student services to ensure that there was a meal deal option available which fell within the College bursary allowance.

RESOLVED:

The Committee agreed that the proposed increase in commercial fees was recommended to the Board for approval

ACTION:

Clerk / Board Agenda

11. Sub-Contracting Policy 2025-2026

The Committee was informed that no major changes were being proposed to the policy.

RESOLVED:

The Committee agreed that the policy was recommended to the Board for approval

ACTION:

Clerk / Board Agenda

12. Management Accounts – Good Practice Guide for Colleges

The Clerk advised that:

- Guidance had been published to help the further education sector improve the in-year reporting of financial performance
- It was recommended that College finance directors and chief finance officers periodically reviewed the format and content of their management accounts
- Governors and senior leaders should be consulted on whether the reports met their needs
- The reports should also be tailored to local requirements

13. Good practice guidance for colleges on novel, contentious and repercussive transactions

The meeting was informed that:

- DfE had published a good practice guide in relation to novel, contentious and repercussive transactions for Colleges and academy trusts
- The guide provided a number of constructed illustrative examples to allow College and academy leaders to better understand the issues involved
- Colleges did not have the authority to enter into such transactions without prior approval from the DfE

14. *Key Performance Indicators Update

It was noted that all of the KPI's were being met apart from the staff costs to income ratio.

15. Date and Time of Next Meeting

Wednesday 24th September 2025 at 4.30pm

It was noted that this was Sarfaraz Akram's last meeting as he was stepping down. Governors' and the Principal thanked him for his contribution, commitment and service to the College.

*Standing Item